

117TH CONGRESS  
1ST SESSION

# S. 2807

To authorize the Secretary of the Interior, in coordination with the heads of relevant Federal agencies, to carry out watershed pilots, and for other purposes.

---

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 22 (legislative day, SEPTEMBER 21), 2021

Mr. WYDEN introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

---

## A BILL

To authorize the Secretary of the Interior, in coordination with the heads of relevant Federal agencies, to carry out watershed pilots, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-  
2 tives of the United States of America in Congress assembled,*

**3 SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Watershed Results  
5 Act”.

**6 SEC. 2. DEFINITIONS.**

7       In this Act:

1                             (1) ADVANCE WATERSHED ANALYTICS.—The  
2                             term “advance watershed analytics” means the tech-  
3                             nical analysis that is—

4                             (A) conducted before making funding  
5                             available for a watershed pilot; and

6                             (B) necessary—

7                                 (i) to identify specific high-impact  
8                             outcome projects across an entire water-  
9                             shed;

10                                 (ii) to identify project costs and imple-  
11                             mentation feasibility constraints;

12                                 (iii) to identify how different groups  
13                             of projects impact overall watershed tar-  
14                             gets; and

15                                 (iv) to develop scenarios that—

16                                 (I) maximize outcomes; and

17                                 (II) are feasible to quickly imple-  
18                             ment at scale.

19                             (2) FEDERAL FINANCIAL SOURCE.—The term  
20                             “Federal financial source” means an award, grant,  
21                             loan, guarantee, incentive, or credit enhancement  
22                             funding available to Federal agencies participating  
23                             in watershed pilots.

24                             (3) FUND.—The term “Fund” means an Envi-  
25                             ronmental Outcomes Fund established by the head

1       of a Federal department or agency under section  
2       4(c)(1).

3                     (4) MANAGEMENT TEAM.—The term “management  
4       team” means the management team for a watershed pilot designated under section 3(c)(2).

5                     (5) OUTCOME.—The term “outcome” means—

6                             (A) a quantifiable reduction in nutrient or  
7       sediment runoff;

8                             (B) a quantifiable reduction in thermal  
9       load;

10                             (C) a quantifiable increase in dissolved oxygen;

11                             (D) a quantifiable increase in surface  
12       water or groundwater that functionally benefits  
13       fish and wildlife species; or

14                             (E) any other quantifiable benefit identified by the management team as being desirable  
15       in the applicable watershed.

16                     (6) PAY-FOR-PERFORMANCE CONTRACT.—The  
17       term “pay-for-performance contract” means a contract to purchase successfully implemented outcomes  
18       at a negotiated per-unit price.

19                     (7) PLAN.—The term “plan” means an actionable implementation and funding plan developed for  
20       a watershed pilot under section 3(d)(1).

1                             (8) QUALIFYING PROJECT.—The term “quali-  
2       fying project” means a project that efficiently  
3       achieves 1 or more outcomes in pursuit of a plan, as  
4       prioritized through advance watershed analytics.

5                             (9) SECRETARY.—The term “Secretary” means  
6       the Secretary of the Interior.

7                             (10) WATERSHED PILOT.—The term “water-  
8       shed pilot” means a watershed pilot established  
9       under section 3(a).

10 **SEC. 3. WATERSHED PILOTS.**

11                             (a) IN GENERAL.—Not later than 180 days after the  
12       date of enactment of this Act and subject to subsection  
13       (i), the Secretary, acting in coordination with the Sec-  
14       retary of Agriculture and the Administrator of the Envi-  
15       ronmental Protection Agency, shall establish a total of not  
16       less than 2 and not more than 5 watershed pilots.

17                             (b) CONSULTATION.—In establishing a watershed  
18       pilot under subsection (a), the Secretary shall—

19                                 (1) consult with the Chair of the Council on  
20       Environmental Quality in implementing the water-  
21       shed pilot; and

22                                 (2) regularly submit to the Chair of the Council  
23       on Environmental Quality reports describing the sta-  
24       tus and implementation of the watershed pilot.

25                             (c) MANAGEMENT OF WATERSHED PILOTS.—

1                             (1) MANAGEMENT BY SECRETARY.—Management  
2                             and responsibility for each watershed pilot  
3                             shall be led by the Secretary.

4                             (2) MANAGEMENT TEAM.—The Secretary shall  
5                             designate a management team for the watershed  
6                             pilot, which shall be composed of—

7                                 (A) representatives appointed by the Secretary; and

9                                 (B) representatives from 1 or more other  
10                             Federal departments or agencies participating  
11                             in the watershed pilot.

12                             (3) CONSULTATION.—In establishing and carrying out a watershed pilot, the Secretary and the management team shall consult with—

15                                 (A) State, local, and Tribal representatives;

17                                 (B) nongovernmental organizations;

18                                 (C) private sector representatives; and

19                                 (D) such other individuals or entities as  
20                             the Secretary and the management team determine to be appropriate.

22                             (d) PLAN.—

23                             (1) IN GENERAL.—Not later than 1 year after  
24                             the date on which a watershed pilot is established,  
25                             the management team for the applicable watershed

1       pilot shall develop and implement a 5-year plan for  
2       carrying out the watershed pilot.

3                     (2) REQUIREMENTS.—A plan shall incor-  
4       porate—

5                         (A) advance watershed analytics to estab-  
6       lish milestones, outcome targets, an implemen-  
7       tation plan, and a timeline for achieving the  
8       milestones, targets, and full implementation;

9                         (B) a coordinated cross-agency funding  
10      strategy that will—

11                             (i) achieve the milestones and outcome  
12      targets established under subparagraph  
13      (A) in an effective and flexible manner by  
14      efficiently and quickly delivering Federal  
15      financial sources to qualifying projects;

16                             (ii) leverage amounts made available  
17      under sections 4(c)(4) and 7 with existing  
18      Federal financial sources;

19                             (iii) use Federal financial sources and  
20      amounts from the Fund to leverage and  
21      attract investments from private or philan-  
22      thropic sources to accelerate greater out-  
23      comes-based results; and

24                             (iv) concentrate Federal financial  
25      source commitments from multiple agen-

1                   cies in a watershed pilot during the period  
2                   of the watershed pilot;

(C) annually updated progress tracking against milestones and targets; and

(3) CONSULTATION AND REVIEW.—A plan shall  
be—

15 (e) NOTIFICATION.—On adoption of each plan, the  
16 Secretary shall submit to the Committee on Appropriations  
17 of the Senate and the Committee on Appropriations  
18 of the House of Representatives a notification that the wa-  
19 tershed pilot has been established and the plan has been  
20 adopted.

21 (f) DISBURSEMENT OF FUNDS TO QUALIFYING  
22 PROJECTS.—Not later than 30 days after the date on  
23 which the management team for a watershed pilot verify  
24 outcomes from the qualifying project, the Secretary and  
25 the management team for the watershed pilot shall dis-

1 burse amounts from Federal financial sources, including  
2 amounts made available under sections 4(c)(4) and 7, to  
3 a qualifying project, through pay-for-performance con-  
4 tracts, at agreed upon outcome prices.

5 (g) MINIMUM OUTCOME PRICES.—Not later than 1  
6 year after the date on which a watershed pilot is estab-  
7 lished, the Secretary and the management team for the  
8 watershed pilot shall set and publish minimum per-unit  
9 outcome prices.

10 (h) USE OF ADVANCE WATERSHED ANALYTICS.—  
11 The Secretary and the management team for each water-  
12 shed pilot shall use advance watershed analytics through-  
13 out the planning, implementation, measuring, and moni-  
14 toring of outcomes within the watershed pilot.

15 (i) AUTHORITY FOR ADDITIONAL PILOTS AND AGEN-  
16 CIES.—The Chair of the Council on Environmental Qual-  
17 ity, in consultation with the Committee on Appropriations  
18 of the Senate and the Committee on Appropriations of the  
19 House of Representatives, shall approve—

20 (1) the establishment of more than 5 watershed  
21 pilots under this section; and  
22 (2) the participation in watershed pilots under  
23 this section of a Federal department or agency other  
24 than those described in subsection (a).

1   **SEC. 4. FINANCING AND FUNDING OF WATERSHED PILOTS.**

2       (a) USE OF PAY-FOR-PERFORMANCE CONTRACTS.—

3   In carrying out a watershed pilot, the head of a Federal  
4   department or agency participating in the watershed pilot  
5   shall enter into a pay-for-performance contract to achieve  
6   outcome-based goals described in the plan developed for  
7   the watershed pilot.

8       (b) FLEXIBILITY UNDER EXISTING PROGRAMS.—

9   The head of each Federal department or agency particip-  
10   ating in a watershed pilot shall modify, expand, or  
11   streamline eligibility and verification criteria for existing  
12   Federal financial sources to maximize flexibility, speed,  
13   and use of Federal funds in the most effective manner  
14   to achieve outcomes under the watershed pilot.

15     (c) ENVIRONMENTAL OUTCOMES FUNDS.—

16       (1) IN GENERAL.—The head of each Federal  
17   department or agency participating in a watershed  
18   pilot shall establish an Environmental Outcomes  
19   Fund.

20       (2) USE OF FUND.—Amounts in a Fund shall  
21   only be expended on pay-for-performance contracts  
22   under a watershed pilot.

23       (3) CRITERIA.—Amounts in a Fund shall be ex-  
24   pended in accordance with—

25           (A) this Act, including the plan developed  
26           for the applicable watershed pilot; and

(B) criteria established by the Secretary and the management team for the applicable watershed pilot, which shall include criteria for—

12 (4) MANDATORY FUNDING.—

1           the funds transferred under subparagraph (A),  
2           without further appropriation.

3           (5) REPORT TO CONGRESS.—If a watershed  
4        pilot is established as a permanent program, the  
5        Secretary may submit to Congress recommendations  
6        for modifications to funding levels and a permanent  
7        authorization of funding for the permanent program.

8           (d) COST-SHARE WAIVER.—Any otherwise applicable  
9        cost-share requirements for existing Federal financial re-  
10      sources, including under section 212(a)(1) of the Public  
11      Lands Corps Act of 1993 (16 U.S.C. 1729(a)(1)), shall  
12      be waived for watershed pilots carried out using amounts  
13      made available under this Act.

14 **SEC. 5. REPORTS.**

15           (a) DEFINITION OF APPROPRIATE COMMITTEES OF  
16      CONGRESS.—In this section, the term “appropriate com-  
17      mittees of Congress” means—

18           (1) of the Senate—

19                  (A) the Committee on Appropriations;

20                  (B) the Committee on Environment and  
21              Public Works; and

22                  (C) the Committee on Agriculture, Nutri-  
23              tion, and Forestry; and

24           (2) of the House of Representatives—

25                  (A) the Committee on Appropriations;

5       (b) ANNUAL REPORTS.—The Secretary shall, not  
6 later than the date on which the budget of the United  
7 States Government is submitted by the President under  
8 section 1105 of title 31, United States Code, for each fis-  
9 cal year for which the watershed pilot is being carried out,  
10 submit to the appropriate committees of Congress a report  
11 describing the status of each watershed pilot, including  
12 progress towards the milestones described in section  
13 3(d)(2)(A).

14        (c) 5-YEAR REPORT.—Not later than October 1 of  
15 the fifth fiscal year in which a watershed pilot is carried  
16 out under section 3, the Secretary shall submit to the ap-  
17 propriate committees of Congress a report describing, in  
18 accordance with the plan developed for the applicable wa-  
19 tershed pilot—

## 20 (1) a summary of—

(A) the projected results of the watershed pilot in meeting the milestones described in section 3(d)(2)(A);

(B) the projected outcomes of the watershed pilot described in that section;

(C) the total amount of funds made available under the watershed pilot;

(E) such other information as the Secretary determines to be appropriate; and

7                   (2) recommendations for continuing, termin-  
8 nating or making permanent the watershed pilot

**9 (d) ENVIRONMENTAL OUTCOMES FUNDS —**

(1) AGENCY HEADS.—The head of each Federal department or agency participating in a watershed pilot shall, not later than the date on which the budget of the United States Government is submitted by the President under section 1105 of title 31, United States Code, for each fiscal year for which the watershed pilot is being carried out, submit to the appropriate committees of Congress a report describing the outcomes achieved using amounts made available from, management of, and expenditures from, the Fund established by the agency head.

**22 (2) INSPECTORS GENERAL.—**

(A) AUDIT.—The Inspector General of each Federal department or agency participating in a watershed pilot shall conduct a bi-

1 annual audit of the management of, and fund-  
2 ing (including expenditures) relating to, the  
3 Fund established by the agency head for the  
4 purpose of ensuring proper and effective use of  
5 Federal funding by evaluating the effectiveness  
6 of the watershed pilot in achieving the plan de-  
7 veloped for the watershed pilot, including an  
8 evaluation of the outcomes achieved and the  
9 Federal financial sources used to achieve those  
10 outcomes.

11 (B) REPORTS.—The Inspector General of  
12 each Federal department or agency partici-  
13 pating in a watershed pilot shall, not later than  
14 the date on which the budget of the United  
15 States Government is submitted by the Presi-  
16 dent under section 1105 of title 31, United  
17 States Code, for each fiscal year for which the  
18 watershed pilot is being carried out, submit to  
19 the appropriate committees of Congress a re-  
20 port describing the 2 audits most recently con-  
21 ducted under subparagraph (A).

22 **SEC. 6. DURATION.**

23 Each watershed pilot shall terminate on the date that  
24 is 5 years after the date on which the notification is sub-

1 mitted under section 3(e) with respect to that watershed  
2 pilot.

3 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

4 There are authorized to be appropriated—

5 (1) for each watershed pilot, \$15,000,000 for  
6 each of fiscal years 2022 through 2027, which shall  
7 be in addition to the amounts made available under  
8 section 4(c)(4); and

9 (2) to carry out advance watershed analytics for  
10 each watershed pilot, \$2,000,000 for each of fiscal  
11 years 2022 through 2024.

